# National Security Personnel System

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# Significance

- **Most significant change to the civil service since the CSRA of 1978**
- **Potential for impacting entire civil service**
- **Flexibilities never before afforded to the civil service system**

# Why NSPS?

- **Current system inadequate to manage DoD civilian personnel in today's environment**
  - **Hiring too slow; recruiting adversely affected**
  - **Outstanding performers paid the same as poor performers**
  - **Limited flexibility to reassign**
  - **Limited accountability**
- **NSPS needs to bring about essential change while preserving the core and enduring values of the civil service**

# Why Now? Change Drivers

- **Demands historically placed on DoD and its civilians have elevated since 9/11 – with no ceiling in sight**
- **Quick and effective civilian personnel actions will free military personnel to support the war fighting mission**
  - **For example**
    - **Hiring civilian mechanics allows military maintainers to keep equipment operational in a theatre of operation**
    - **Adequately compensating/rewarding an engineer improves retention, retains critical skills and supports the war fighter**
- **Demonstration projects have been testing personnel flexibilities for years with much success**

# Background

- **FY 04 NDAA signed in November 2003**
- **Grants SecDef & OPM Director authority to establish DoD HR System, Labor Relations, and Appeals & Grievance Process**
- **We were on a path to issue regulations and implement October 2004**
- **April 2004 Strategic Reset:  Timelines adjusted to reflect more cautious, deliberate approach involving stakeholders, adapted Acquisition model**
- **NSPS Program Executive Office established – April 2004**
  - **Secretary Gordon England, Senior Executive**
  - **Mrs. Mary Lacey – NSPS Program Executive Officer**
  - **Mr. Brad Bunn – NSPS Deputy PEO**

# Guiding Principles

**7 Principles**

1. **Put mission first – support National Security goals and strategic objectives**
2. **Respect the individual; protect rights guaranteed by law**
3. **Value talent, performance, leadership and commitment to public service**
4. **Be flexible, understandable, credible, responsive, executable**
5. **Ensure accountability at all levels**
6. **Balance HR interoperability with unique mission requirements**
7. **Be competitive and cost effective**

# Requirements: Key Performance Parameters

- **High Performing:** ***Employees/supervisors are compensated/ retained based on performance/contribution to mission***
- **Agile & Responsive:** ***Workforce can be easily sized, shaped, and deployed to meet changing mission requirements***
- **Credible and Trusted:** ***System assures openness, clarity, accountability and merit principles***
- **Fiscally Sound:** ***Aggregate increases in civilian payroll, at the appropriations level, will conform to OMB fiscal guidance; managers will have flexibility to manage to budget***
- **Supporting Infrastructure:** ***Information Technology support and training and change management plans are available and funded***
- **Schedule:** ***NSPS will be operational and stable in sufficient time to meet the LR system sunset date (Nov 09)***

# Big Picture

<u>No Change from Title 5:</u>
- Merit system principles
- Rules against prohibited personnel practices
- Benefits
- Allowances and travel / subsistence expenses
- Training
- Leave and work schedules
- Other personnel systems in law
- Current Lab Demos until FY 08
- Anti-discrimination laws
- Veterans Preference

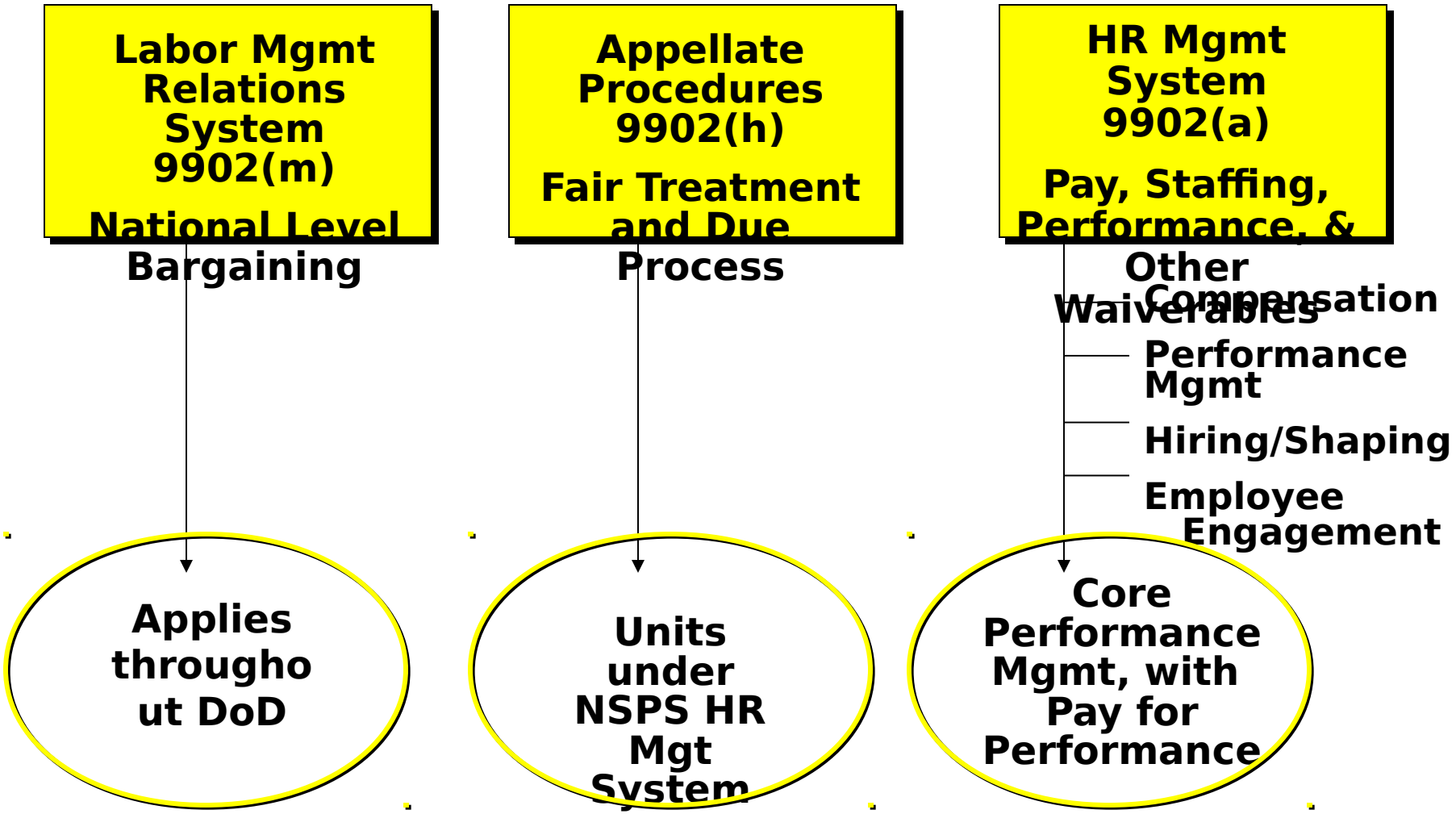
<u>NSPS HR Considerations:</u>
- Pay Banding (GS / WG)
- Staffing (internal / external)
- Pay for Performance
- Reduction in Force
- Labor relations
- Employee Appeals

<u>NDAA Provisions Implemented:</u>
- **VERA** / VSIP authority
- Reemployed Annuitants
- Experts

<u>Planned:</u>
-SES performance system

<u>Continuing Responsibility for Component Policy and Execution:</u>
- Human resource management - Leader Development - Support tools
- Work life programs - Mobilization and deployment - Workforce diversity - Reorganization planning - Career management - Workforce planning/Strategic recruiting

# Major Elements


Labor Mgmt Relations System 9902(m)
National Level Bargaining
Appellate Procedures 9902(h)
Fair Treatment and Due Process
HR Mgmt System 9902(a)
Pay, Staffing, Performance, & Other Compensation Waiverables
Performance Mgmt
Hiring/Shaping
Employee Engagement
Applies throughout DoD
Units under NSPS HR Mgt System
Core Performance Mgmt, with Pay for Performance

# Current Status

- **PEO and Component Program Manager structure in place**
- **OIPT (PDUSD/PR and OPM co-chair) and Senior Advisory Group (SAG) established**
- **NSPS system and training design underway**
- **Involvement of key interest groups on-going**
- **Event driven milestones**
- **Workforce orientation & communication efforts on-going**

# Union Collaboration

- **Meetings with union coalition members/others unions on-going**
- **First Meeting, 7 June**
    - **Rules of Engagement/Meeting procedures**
  - **Second Meeting, 29 June**
    - **NSPS development process/schedule**
    - **Overall principles and concerns**
    - **Town Halls/Focus Groups**
  - **Third Meeting, 25-26 August**
    - **Potential features of Labor and Appeals System**
  - **Fourth Meeting, 9-10 September**
    - **HR Proposals**
  - **Fifth Meeting, 5 Oct**
    - **HR Proposals**

# NSPS Design Working Groups

- **Purpose: Identify and develop options for NSPS design**
- **Working Groups began meeting 27 July**
- **Group members include**
  - **Military Components/Defense Agencies**
    - **Military and civilian supervisors/managers**
    - **HR/EEO Practitioners**
    - **Counsel/FM**
  - **OPM**
- **Covered Program Areas**
  - **Compensation (Classification and Pay)**
  - **Performance Management**
  - **Workforce Hiring, Assignment, Pay Setting, and Shaping**
  - **Employee Engagement & Appeals**
  - **Labor Relations**
- **Status: Predecisional NSPS LR, Appeals & HR Design options have been posted on the web/presented to Congress and labor for feedback/input**

# Comparing the Current & Desired

| Function | Current System | NSPS Desired |
|---|---|---|
| Structure | ▪ Rigid job grade structure: 15 levels<br>▪ Employee works within job grade level, or else personnel action req'd | ▪ Jobs banded to 3-4 levels<br>▪ Employee works to capability within range mission needs<br>▪ Fewer personnel actions to process |
| Acquire | ▪ Selection forced from ranked list of candidates<br>▪ Constrained 'direct hire' authority<br>▪ 200 appointing authorities | ▪ Selection from highest group of Best Qualified/Highly Qualified/Qualified candidates<br>▪ More flexible 'direct hire' authority<br>▪ Simpler appointing authorities |
| Distribute | • Assign work/assign employee within grade level, specialty | ▪ Assign range of work/assign employee within broad band level |
| Sustain | ▪ Highly structured pay system:<br>✓ normally start at first step of grade<br>✓ guaranteed progress by steps within grade<br>▪ Performance rating has little impact on pay or career progression. | ▪ Flexible pay system:<br>✓ entry/job change pay can be market sensitive<br>✓ within-band raises based on contributions/performance |
| Separate | ▪ Reduction in force: main factor length of service | ▪ Reduction in force: stronger role for performance |

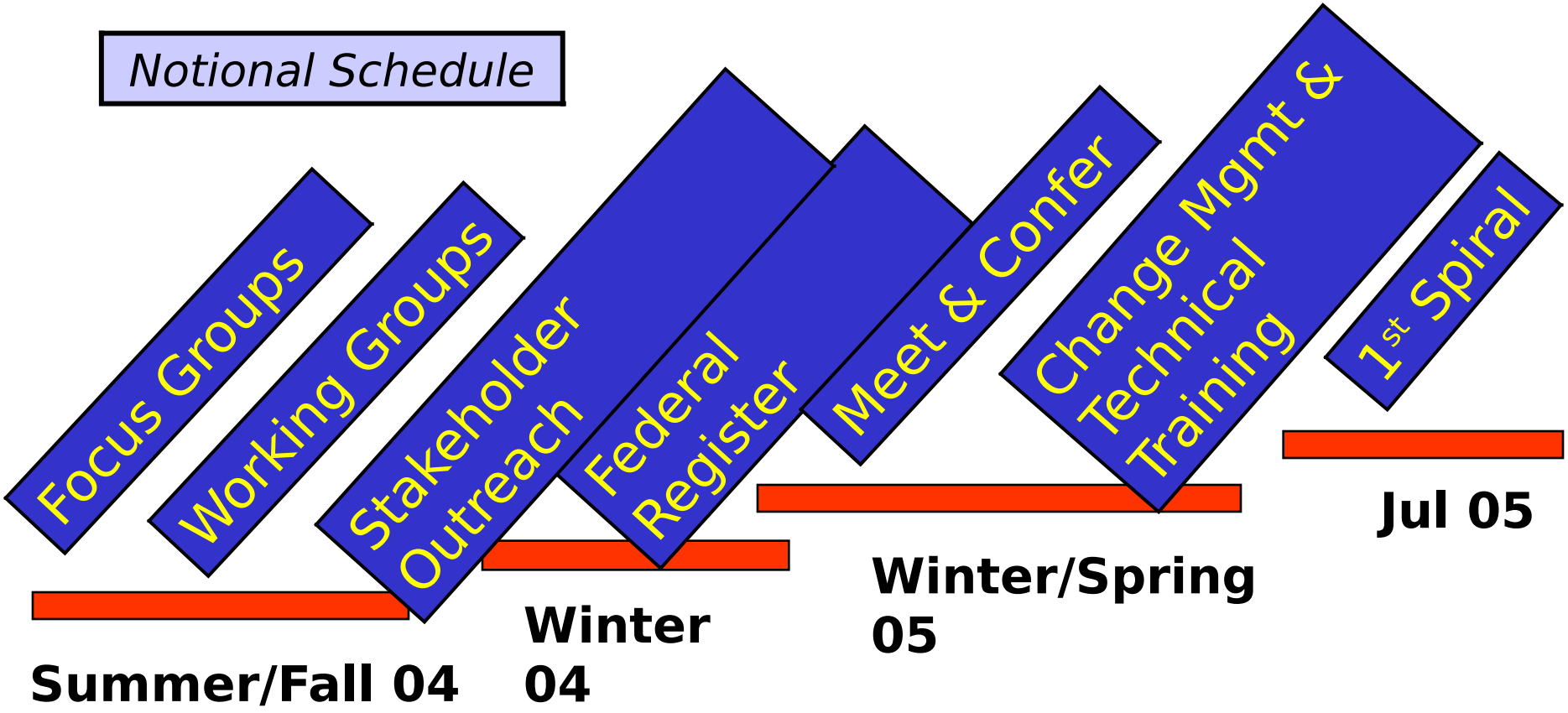
**Designs will be finalized in a collaborative process**

# NSPS LR & Appeals Design Options

- Predecisional NSPS LR & appeals options presented to unions (and posted on NSPS website) to generate discussion/feedback

- Design features address key interests, including ability to:
  - Act without delay
  - Implement DoD and Component-wide policies quickly and consistently
  - Quickly resolve labor disputes
  - Foster open management-employee communications
  - Handle quickly and decisively, performance deficiencies and misconduct
  - Have a streamlined, simplified appeals system, while preserving due process rights

# The Way Ahead




***FULL NSPS IMPLEMENTATION 2007/2008***

# Demo Lessons Learned

- **Communication is critical**
  - **Employees - Managers**
  - **Stakeholders - Congress**
  - **Media**
- **Training is essential**
- **Employee acceptance must be earned**
- **Supervisors set the tone**
- **Transition planning reduces risk**
- **Continuous assessment & evaluation pays off**

# Communication
# A Force Multiplier

**A primary strategy for sharing the NSPS vision**

- **Facilitates employee awareness & understanding**
- **Demonstrates leadership's support & involvement**
- **Demonstrates openness and transparency of NSPS design and process**
- **Builds workforce trust & commitment**
- **Leverages related implementation strategies**
  - **Training**
  - **Media Relations & Legislative Liaison**
  - **Changes Readiness**
  - **Cultural Transformation**

**NSPS Website: www.cpms.osd.mil/nsps**

# How You Can Help

- **Leverage NSPS transformation thru your leadership and involvement**
- **Get to know your Component/Activity NSPS Program Staff**
- **Stay ahead of the readiness power curve**
  - **Stay informed**
  - **Communicate the NSPS Vision**
  - **Build trust – generate enthusiasm – inspire confidence**

***Make a Difference!***

# National Security Personnel System Web Site

http://www.cpms.osd.mil/nsps